GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1363
ANSWERED ON:02.03.2001
RBI GUIDELINES REGARDING SETTLEMENT OF NPA
AMBATI BRAHMANAIAH

Will the Minister of FINANCE be pleased to state:

(a) whether RBI has issued any directions to nationalised banks to carefully settle all offer of non-performing loans expeditiously;

(b) if so, the main points of the guidelines issued to the banks;

(c) whether RBI monitors implementation of such guidelines to settle outstanding loans in rural areas also; and

(d) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTERY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a)&(b): Reserve Bank of India (RBI) have issued guidelines in July, 2000 to all public sector banks for recovery of dues relating to Non-Performing Assets (NPAs) through a simplified, non-discretionary and non-discriminatory mechanism. These guidelines cover:

(i) All NPAs in all sectors irrespective of the nature of business, which have become `doubtful` or `loss` as on 31st March, 1997, as well as `sub-standard` as on 31.3.1997 which have subsequently become `doubtful` or `loss` category, with outstanding balance of Rs.5 crore and below on the cut-off date.

(ii) Cases pending before Courts/DRTs/BIFR.

These guidelines also contain the settlement formula, mode of payment etc. As regards NPAs of Rs.5 crore and above, these guidelines provide for personal supervision of such cases by the Chairman & Managing Directors and either evolving of policy guidelines by the Board of Directors for one-time settlement of such cases or taking appropriate legal action. The guidelines will remain operative upto 31.3.2001.

(c)&(d):- RBI monitors the recovery of NPAs, including those pertaining to rural areas,under these guidelines, on an ongoing basis. RBI has convened a series of meetings with the Chief Executives of the public sector banks with a view to ensuring that they bestow attention to the implementation of these guidelines and to provide clarifications on operational issues as also to review the progress in recovery. RBI has advised the Chief Executives to review the implementation of these guidelines in a Board Meeting specially convened for the purpose and also to set up Task Forces at Regional/Zonal/Controlling offices to monitor the progress of recovery.

ANNEXURE

STATEMENT SHOWING ENTEREST EARNED BY THE PUBLIC SECTOR BANKS ON GOVERNMENT SECURITIES DURING THE LAST THREE YEARS

(Rupees in crores)

1999-2000	1998-1999	1997-1998
Interest Earned on Government	Interest Earned on Government	Interest Earned on Government

	Securities	Securities	Securities
1. ALLAHABAD BANK	890.27	772.51	654.19
2. ANDHRA BANK	616.49	362.75	340.86
3. BANK OF BARODA	1397.21	1298.95	1165.72
4. BANK OF INDIA	938.34	819.48	335.02
5. BANK OF MAHARASHTRA	589.30	360.23	340.88
6. CANARA BANK	1273.24	1132.69	993.75
7 CENTRAL BANK OF INDIA	1409.87	1349.49	835.08
8. CORPORATION BANK	461.01	323.94	383.97
9. DENA BANK	462.72	635.58	464.69
10. INDIAN BANK	805.49	708.39	572.77
11. INDIAN OVERSEAS BANK	656.45	552.88	451.89
12. ORIENTAL BANK OF COMMERCE	815.98	609.96	371.36
13. PUNJAB NATIONAL BANK	2426.34	1914.85	1822.97
14. PUNJAB & SIND BANK	534.21	452.72	388.66
15. SYNDICATE BANK	652.99	624.10	680.60
16. UCO BANK	1052.15	419.72	589.21
17. UNION BANK OF INDIA	1074.57	926.60	799.15
18. UNITED BANK OF INDIA	810.00	673.00	552.64
19. VIJAYA BANK	388.79	310.72	299.51
TOTAL NATIONALISED BANKS	17255.42	14248.55	12042.92
20. STATE BANK OF BIKANER & JAIPUR	04.82	358.12	292.16
21. STATE BANK OF HYDERABAD	596.20	420.45	348.85
22. STATE BANK OF INDIA	7644.79	5217.63	4567.67
23. STATE BANK OF INDORE	242.01	194.78	157.52
24. STATE BANK OF MYSORE	318.43	259.36	229.59
25. STATE BANK OF PATIALA	392.21	325.26	346.25
26. STATE BANK OF SAURASHTRA	210.31	175.72	150.55
27. STATE BANK OF TRAVANCORE	560.00	470.27	371.54
TOTAL SBI GROUP	10368.77	7421.59	6464.13
TOTAL PUBLIC SECTOR BANKS	27624.20	21670.15	18507.05